

## **FAQ – PRODUCTION INCENTIVES**

### **Media Production Expenditure Tax Credit (MPETC)**

#### **What is the MPETC step-by-step process?**

1. *Call Film Indiana to discuss project, confirm basic requirements, and request an application.*
2. *Complete application and return to Film Indiana with other required materials.*
3. *The IEDC will review the project to decide amount of the tax credit (up to 15%) and an approval letter is issued.*
4. *The company must submit a written acceptance of the IEDC's offer (date of acceptance is start date for qualifying expenditures).*
5. *The IEDC will issue a tax credit agreement to be signed by both parties.*
6. *The project is completed (all expenditures paid).*
7. *All the necessary documentation is submitted for the IEDC to determine the qualified investment.*
8. *A certification letter is issued stating the exact amount of tax credit awarded.*
9. *When the company files their Indiana income taxes, they will attach the certification letter to their tax return to receive the tax credit.*

#### **Who is entitled to the MPETC? (production company, agency, client, etc.)**

*All parties involved in the project must designate one applicant for purposes of applying for the MPETC. The IEDC will only consider one applicant per project.*

#### **Is the tax credit awarded on a project-by-project basis?**

*Yes*

#### **Can an ad campaign (multiple commercials) apply as one project?**

*Yes, but only if the combined minimum spend is at least \$50,000.*

#### **What criteria will be considered when evaluating and determining the percentage of the tax credit?**

*Competitiveness, economic return to the state - number of jobs, wages/rates, length of project, etc. - and the project's impact on further growth of the industry and the overall further diversification of businesses Indiana.*

#### **How many days does the IEDC have to review an MPETC application?**

*The IEDC will work with the applicant to determine the necessary response time for the review of the application. The IEDC is highly responsive to the client's time table in competitive situations.*

#### **How many days from the issuance of the official acceptance must the production begin?**

*No more than 90 days.*

**When should I submit my materials (cost reports, receipts, etc.) to the IEDC for certification?**

*When you foresee no further qualified expenditures to be made.*

**Will there be a list of projects that have been awarded MPETC?**

*The IEDC will coordinate with the recipients to ensure the roll of all parties is recognized.*

**Does the \$5 million annual cap apply towards the calendar year or fiscal year?**

*Fiscal Year (July 1 – June 30)*

### **Qualified Media Sales Tax Exemption**

**How can I purchase tangible personal property from Indiana vendors without paying the sales tax if I am qualified to purchase such items for a statutory exempted purpose?**

*The [ST-105](#) General Sales Tax Exemption Certificate is a multi-use form which can be used by most exempt purchasers. Most all exempt purchasers, in state and out of state purchasers, may use this form for most types of Indiana allowed exemptions. (Courtesy of [Department of Revenue](#))*

**Will the retailer have ST-105 form or should I bring it with me?**

*Retailers should have the proper form but it is always a good idea to bring one along.*

**How does the Qualified Media Sales Tax Exemption work towards internet purchases, in state and out of state?**

*If the online seller does not accept the [ST-105](#) form and charges Indiana sales tax, the purchaser can file a [GA 110-L](#) claim for refund of sales tax paid on the exempt transaction. NOTE: The refund will only be granted if the online seller collects Indiana sales tax and not the tax charged by the state from where the item is purchased.*

**What if I am entitled to an exemption but I do not have an Indiana Taxpayer Identification number, nor do I have a business license or registration number from my home state?**

*Option #1 - Please read the instructions contained on page #2 of the [ST-105](#) form detailing other options available to those businesses entitled to exemption, but do not meet the requirements of this form.*

*Option #2 - You may register with Indiana, for free by filing form [BT-1](#). Register for "Out-of-State Use Tax" to obtain a Taxpayer Identification number. Registration will require you to begin collecting Indiana sales tax on sales shipped (sourced) to Indiana locations, unless you receive an exemption certificate from your Indiana customers.*

*Option #3 - If you can not perform either option above, but you are entitled to an exemption, you must pay the Indiana sales tax to your vendor, then file for a refund directly with the Indiana Department of Revenue to obtain your sales tax back. A claim for refund form [GA-110L](#) is available on our web site. (Courtesy of [Department of Revenue](#))*

**Does the Qualified Media Sales Tax Exemption apply towards rentals, as well as, purchases?** *Yes, this exemption applies to both purchases and rentals associated with the production of a qualified media production. The [ST-105](#) form is used for both.*

**Does the Qualified Media Sales Tax exemption apply towards items such as paint, construction materials, makeup, wardrobe, etc.?**

*Paint, construction materials, makeup, wardrobe, and all other items that would be considered directly used in production are applicable. Also included, a computer system used for the sole purposes of post-production would qualify for the exemption.*

**If a production has been pre-approved for MPETC, can a crew member use the Qualified Media Sales Tax Exemption to buy materials for a production?**

*Claiming the MPETC does NOT permit claiming the Qualified Media Sales Tax Exemption for any aspect of the same project.*

### **Lodging Tax Exemption**

**To qualify for the Lodging Tax Exemption, does the required stay of 30 days need to be consecutive?**

*Yes*